38. *Trunk Telephone Scheme.*—No work in connection with the scheme has been carried out during the current year as the whole question was under the consideration of this Government and the Government of India between whom negotiations are in progress with a view to arrive at working arrangements. It is expected that the work will be taken up early next year and for this purpose, a provision of Rs 2 lakhs has been made in the budget.

39. *Rubber Factory.*—The factory was opened by His Highness the Maharaja on the 1st Chingam 1111 and commenced operations on that day. About 120 persons are now working in the factory. At present all rubber articles except motor car tyres are manufactured in the factory.

The capital expenditure on the factory will amount to about Rs 3·94 lakhs at the end of 1111. A sum of Rs 50,000 has been provided for capital expenditure in the budget of 1112 for the purchase of two heavy duty mixing rollers and other machinery. A system of commercial accounts has been drawn up and it is hoped, by the end of next year, the factory will begin to pay its way.

40. *The Clay Refining and Porcelain Factory.*—In the budget estimates for 1111, provision was made for a capital outlay of Rs 3 lakhs for the construction of a clay refining and porcelain factory. As Mr. Dogar Singh of the Benares Hindu University has only recently been appointed as ceramic expert, the provision made in the current year could not be fully utilised. A lump sum of Rs 3 lakhs has therefore been provided in the budget estimates for 1112. It is hoped that the factory will be completed within the next year and will yield a substantial return on the outlay.

STATE LIFE INSURANCE—PUBLIC BRANCH.

41. The State Life Insurance—Public Branch which was introduced with effect from 1st Meenam 1109 for the purpose of affording greater facilities to the subjects of the State in the matter of future provision for families, has already shown results much beyond our expectation. During a short period of 2 years and 3 months, 2891 proposals for about Rs 28 lakhs have been received and policies in respect of 1986 proposals assuring a sum of about Rs 19 lakhs have been issued. The receipts shown in the revised estimates for the year 1111 are expected to be about Rs ·90 of a lakh and the expenses are likely to stand at Rs ·17 of a lakh. The expense ratio for the second year of the scheme is 19 per cent. as against 31 per cent. in the first year. In 1112 the total receipts and expenditure are expected to be Rs 1·40 lakhs and Rs ·18 of a lakh respectively and expense ratio, a little over 12 per cent.

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